

# **SOUTH CAROLINA: EXPORTS, JOBS, AND FOREIGN INVESTMENT**

## **Exports Mean Jobs for South Carolina's Workers**

- Over one-fourth (25.6 percent) of all manufacturing workers in South Carolina depend on exports for their jobs. This is the fifth largest share among the states and well exceeds the national figure of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)
- Export-supported jobs account for an estimated 10.5 percent of South Carolina's total private-sector employment (more than one of every 10 jobs), which is significantly higher than the national average of 6.5 percent (roughly one of every 15 jobs). (2001 data latest available)

*Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports on the U.S. economy.*

*Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.*

## **Exports Help Sustain Thousands of South Carolina Firms—Small As Well As Large**

- A total of 4,454 companies exported goods from South Carolina locations in 2001. Of those, 3,578 (80 percent) were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated almost one-fifth (19 percent) of South Carolina's total exports of merchandise in 2001.

*Source: Exporter Data Base, International Trade Administration & Census Bureau*

## **Economic Globalization: A Two-Way Street for South Carolina**

- In 2002, majority-owned affiliates of foreign companies employed 123,400 workers in South Carolina.
- Slightly over half of these foreign-investment-supported jobs (51 percent, or 62,400 workers) were in the manufacturing sector in 2002.
- Majority-owned affiliates of foreign firms accounted for 20.5 percent—over one-fifth—of total manufacturing employment in South Carolina in 2001. This far exceeds the U.S. average of 12.4 percent, and is the third highest figure among the 50 states.
- Foreign investment in South Carolina was responsible for 8.2 percent of the state's total private-industry employment in 2001, the second highest figure among the 50 states. The U.S. average is 5 percent.
- Major sources of South Carolina's foreign-investment-supported jobs in 2002 were the Netherlands, Germany, France, the United Kingdom, and Japan.

*Note: All figures exclude employment in banks affiliated with foreign companies.*

*Source: Bureau of Economic Analysis.*

## **South Carolina Depends on World Markets**

- South Carolina's export shipments of merchandise in 2003 totaled \$11.8 billion. South Carolina was the 18<sup>th</sup> largest exporter among the 50 states in 2003.

- South Carolina's exports to the world increased \$4.6 billion from 1999 to 2003, the third largest dollar figure among the 50 states. In percentage terms, South Carolina's 65 percent increase in exports from 1999 to 2003 was the second highest among the 50 states. By comparison, the total U.S. increase in merchandise exports over this period was 4.5 percent.
- South Carolina exported globally to 187 foreign destinations in 2003. The state's largest market that year was Germany, which received goods exports of \$2.7 billion—almost one-fourth (23 percent) of South Carolina's total 2003 exports. Germany was followed by NAFTA member Canada (\$2.6 billion) and the United Kingdom (\$817 million). Other top markets included Mexico, Japan, the Netherlands, Belgium, China, France, and Australia.
- Germany is South Carolina's biggest growth market, in dollar terms. Export shipments to Germany rose from \$651 million in 1999 to \$2.7 billion in 2003, an increase of \$2.1 billion. Other countries which recorded large increases in merchandise exports from the state over this period were Canada (up \$500 million), the United Kingdom (up \$491 million), Japan (up \$161 million), and China (up \$148 million).
- Of South Carolina's 30 major markets, exports to Guatemala grew the fastest over the 1999-2003 period, increasing 736 percent from \$9 million to \$71 million. Over this time span, South Carolina also more than doubled its exports to Peru (exports up 575 percent), Germany (up 315 percent), South Africa (up 310 percent), the United Arab Emirates (up 218 percent), Singapore (up 193 percent), Turkey (up 169 percent), the United Kingdom (up 151 percent), Ireland (up 137 percent), Australia (up 135 percent), and China (up 106 percent).
- Manufactures accounted for 98 percent of South Carolina's 2003 merchandise exports.
- South Carolina's leading manufactured export category is transportation equipment, which alone accounted for \$4.3 billion, or 37 percent, of South Carolina's total export shipments in 2003. Other top manufactured exports that year were chemical manufactures (\$1.7 billion), machinery manufactures (\$1.3 billion), computer and electronic products (\$915 million), and plastic and rubber products (\$843 million).
- Transportation equipment is South Carolina's leading manufactured export growth category, both in dollar and percentage terms. Export shipments of these products grew 335 percent (\$3.3 billion), from \$996 million in 1999 to \$4.3 billion in 2003. Other manufactured export categories that registered large dollar growth in that period were computer and electronic products (up \$482 million), chemical manufactures (up \$341 million), and machinery manufactures (up \$165 million).
- South Carolina's other rapidly increasing manufactured exports during the 1999-2003 period were computers and electronic products (up 111 percent), miscellaneous manufactures (up 71 percent), and processed foods (up 70 percent).

*Source: Origin of Movement State Export Series, Bureau of the Census.*

*Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.*

Prepared by the Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce.